## Message Text

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INFO OCT-01 ARA-10 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 COME-00 EB-07 LAB-04 SIL-01 SAB-02 NSCE-00 SSO-00 USIE-00 INRE-00 IOE-00 AF-10 EA-07 EUR-12 NEA-10 /117 W

-----101830Z 022251 /45

O 101615Z JUN 77 FM USMISSION GENEVA TO SECSTATE WASHDC IMMEDIATE 8143 INFO AMEMBASSY PANAMA IMMEDIATE USMISSION USUN NEW YORK

CONFIDENTIAL GENEVA 4672

E.O. 11652: GDS TAGS: PLAB, ILO

SUBJECT: ILO RESOLUTION ON PANAMA

REF: STATE 133895

- 1. WHILE CONSIDERABLE TIME WILL BE TAKEN IN RESOLUTION COMMITTEE IN DISCUSSING FIRST THREE RESOLUTIONS, IT APPEARS LIKELY THAT COMMITTEE CONSIDERATION OF THESE RESOLUTIONS WILL BE COMPLETED IN TIME TO TAKE UP RESOLUTION ON PANAMA, WITH CONSEQUENT POSSIBILITY PANAMA RESOLUTION MAY REACH PLENARY FLOOR.
- 2. IN STRATEGY SESSION JUNE 10, U.S. GOVT., WORKER AND EMPLOYER MEMBERS OF THE RESOLUTIONS COMMITTEE AGREED TO RECOMMEND TO DEPT. FOLLOWING GUIDELINES IN DEALING WITH PANAMA RESOLUTION: (SEE COMMENT PARA 7 BELOW):
- (A) U.S. SHOULD NOT APPEAR TO BE USING DELAYING TACTICS IN ORDER TO PREVENT RESOLUTION FROM BEING CONSIDERED, IT BEING UNDERSTOOD THAT EVERY EFFORT WOULD BE MADE TO HAVE CONFIDENTIAL

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FULL AND COMPLETE CONSIDERATION OF THE FIRST THREE RESOLUTIONS.

(B) GOVT. REP. SHOULD MAKE STATEMENT DURING GENERAL DEBATE IN COMMITTEE WHICH SHOULD INCLUDE FOLLOWING POINTS: BACKGROUND ON CANAL QUESTION, STATUS OF NEGOTIATIONS BETWEEN US. AND PANAMA, ILO NOT APPROPRIATE FORUM FOR SUCH

RESOLUTIONS, FUNDAMENTAL MATTER OF CONDEMNATION WITHOUT INVESTIGATION INHERENT IN RESOLUTION, AND THIS ISSUE IS ONE WHICH SHOULD BE HANDLED THROUGH REGULAR ILO PROCEDURE.

- (C) WORKER AND EMPLOYER REPRESENTATIVES WOULD TAKE ISSUE WITH SPECIFIC STATEMENTS IN RESOLUTION. AFL-CIO REP. IN PARTICULAR IS PREPARED TO MEET HEAD-ON QUESTION OF DISCRIMINATION IN EMPLOYMENT, AND OTHER LABOR RELATED ISSUES.
- 3. IN PURSUING THIS STRATEGY, WE WILL NEED FAR MORE INFOR-MATION ON EVOLUTION OF CANAL TREATY, STATUS OF CURRENT NEGOTIATIONS, AS WELL AS WORKING CONDITIONS IN ZONE (ES-PECIALLY WAGE COMPARISONS BETWEEN PANAMA NATIONALS WORKING I WITH THOSE WORKING OUTSIDE CANAL ZONE), THAN IS PRESENTLY AVAILABLE AT MISSION. SINCE GENERAL DISCUSSION MAY TAKE PLACE AS EARLY AS THE MIDDLE OF NEXT WEEK, USDEL WILL NEED URGENTLY INFORMATION ON THE BACKGROUND AND PRESENT STATUS OF THIS ENTIRE MATTER. IT MAY BE THAT THE COMMIT-TEE WILL NOT GET TO FINAL CONSIDERATION OF THE RESOLUTION UNTIL THE FINAL WORKING DAY, SAT. JUNE 18, SO THAT TH MORE TIME IS TAKEN UP IN DISCUSSION OF THE FACTS. THE GREATER THE CHANCES THAT THE RESOLUTIONS COMMITTEE MAY NOT BE ABLE TO TAKE FINAL ACTION BECAUSE OF INSUFFICIENT TIME. DEPT. THEREFORE SHOULD ERR ON THE SIDE OF GIVING TOO MUCH BACK-GROUND INFORMATION, RATHER THAN TOO LITTLE.
- 4. WE ALSO NEED SPECIFIC DATA TO REBUT STATEMENTS MADE BY THE GOVT. DELEGATE OF PANAMA IN A SPEECH TO CONFIDENTIAL

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THE CONFERENCE JUNE 7: IN THIS STATEMENT HE SAID, QUOTE: UNTIL A FEW YEARS AGO THE HOLIDAY SYSTEM WAS LEGALLY AND FACTUALLY DISCRIMINATORY BECAUSE IT PERMITTED UNITED STATES CITIZENS TO ACCUMULATE UP TO 56 PER CENT MORE HOURS OF HOLIDAYS THAN PANAMANIAN WORKERS. AFTER A LENGTHY STRUGGLE ON THE PART OF THE PANAMANIAN WORKERS, IT WAS CLAIMED THAT THERE WAS NOW EQUALITY AS REGARDS HOLIDAYS. BUT THE PRIVILEGE THAT THE UNITED STATES CITIZENS HAD LOST WAS RECOVERED IN THE FORM OF "TRAVEL TIME", WHICH REPRESENTS 40 ADDITIONAL HOURS' HOLIDAY AS COMPARED WITH THE HOLIDAY TIME ALLOTTED TO PANAMANIANS.

IN THE PANAMA CANAL ZONE WHERE ARE ALSO THE SO-CALLED "SECURITY POSTS" RESERVED FOR UNITED STATES CITIZENS FROM WHICH PANAMANIANS ARE DEBARRED. THERE ARE MORE THAN A THOUSAND SUCH POSTS AND THEY CONSTITUTE THE MODERN VERSION OF THE "GOLD ROLL" AND THE "SILVER ROLL" SYSTEM FORMERLY PRACTISED.

I COULD SAY A GREAT DEAL MORE ABOUT THE DIS-CRIMINATORY SYSTEM WITH REGARD TO TAXES, DISCRIMINATION IN RESPECT OF THE SO-CALLED "TROPICAL DIFFERENTIAL" AND OTHER FORMS OF DISCRIMINATION PRACTISED IN THE PANAMA CANAL ZONE. BUT I THINK I WOULD BE ABUSING THE PATIENCE OF DELEGATES. FOR THIS REASON I SHALL CONFINE MYSELF TO REPEATINGWHAT WAS SAID BY THE PANAMANIAN WORKERS' DELEGATE, MR. CEFERINO RODRIGUEZ, FROM THIS SAME ROSTRUM TWO YEARS AGO: "THE FIGURES FROM THE LAST FINANCIAL REPORT PUBLISHED ON 30 JUNE 1974 SHOWED THAT IN THE SO-CALLED CANAL ZONE THERE WERE AT THAT TIME 14,037 WORKERS, OF WHOM 10,525 WERE MAINLY PANAMANIAN AND 3,512 WERE OF UNITED STATES NATIONALITY. THE 10,525 PANAMANIAN WORKERS RECEIVED WAGES TOTALING 71.7 MILLION DOLLARS WHILE THE 26 PER CENT OF THE WORKFORCE MADE UP BY UNITED STATES CITIZENS, THAT IS TO SAY ONE-QUARTER OF THE WORKFORCE OF THE CANAL, CONFIDENTIAL

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EARNED 66.7 MILLION DOLLARS, WHICH MEANT THAT A QUARTER OF THE WORKERS WHO ARE OF UNITED STATES NATIONALITY WERE EARNING APPROXIMATELY THE SAME AMOUNT IN TOTAL WAGES AS THE OTHER THREE-QUARTERS OF THE WORKFORCE." UNQUOTE.

- 5. USDEL ALSO RECOMMENDS THAT DEPT. CONSIDER INFORMING GOVT. PANAMA OF POSSIBLE CONSEQUENCES OF CONFERENCE ADOPTION OF RESOLUTION. ARGUMENT COULD BE USED THAT AFL-CIO SURE TO MAKE MAJOR ISSUE OF THE ADOPTION OF SUCH A RESOLUTION, AND WILL CALL IT TO PARTICULAR ATTENTION OF CONGRESSMEN WHO DO NOT FAVOR TREATY NEGOTIATIONS. THIS COULD HAVE ADVERSE EFFECT ON CONGRESSIONAL ATTITUDES REGARDING THESE NEGOTIATIONS.
- 6. IF DEPT. CONCURS IN GENERAL STRATEGY OUTLINED PARA 2 ABOVE, WE SHALL PROCEED ALONG THIS LINE, WITH REQUEST THAT NECESSARY INFORMATION BE SENT TO ARRIVE HERE ON JUNE 15 AT LATEST.
- 7. STRATEGY SUGGESTED IN PARA 2 ABOVE IS FOCUSSED ON DISCUSSION IN RESOLUTIONS COMMITTEE AND DOES NOT TREAT POSSIBILITY THAT PANAMA RESOLUTION IN SOME FORM MIGHT REACH PLENARY. SHOULD COMMITTEE VOTE IT OUT IN FORM THAT CODEMNS U.S. WITHOUT INVESTIGATION, PLENARY VOTE ON RESOLUTION WOULD BE APPROPRIATE TEST OF DUE PROCESS ISSUE RAISED IN U.S. NOTICE OF INTENT TO WITHDRAW FROM ILO, SORENSON

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